

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6529

BILL NUMBER: SB 607

NOTE PREPARED: Jan 10, 2013

BILL AMENDED:

SUBJECT: Taxation of Racetrack Casinos.

FIRST AUTHOR: Sen. Lanane

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: The bill reduces the nominal percentage of racetrack casino slot machine revenues that must be used to support the horse racing industry from 15% to 12% and specifies that the amount is a racing support fee. It recodifies statutes governing the use of the fee.

The bill establishes the Indiana Horse Racing Support Fund (IHRSF) for the deposit of the racing support fee. It requires that the fees must be remitted on a daily basis. It subtracts the racing support fees and county slot machine wagering fees from a licensee's adjusted gross receipts for purposes of the slot machine wagering tax.

The bill recodifies amounts formerly subtracted from the 15% of revenue otherwise payable to support horse racing as an addition to a licensee's annual license renewal fee, a tobacco cessation support fee, and an increased gaming integrity fee. It specifies that the annual license renewal fee, tobacco cessation support fee, gaming integrity fee, and problem gambling fee may not be subtracted from a licensee's adjusted gross receipts.

The bill repeals an obsolete definition, obsolete provisions concerning the riverboat subsidy for horse racing that predated the slot machine wagering at the racetracks, the statute requiring a permit holder to use part of the permit holder's slot machine revenue to support the horse racing industry, and the supplemental fee. It appropriates money in the IHRSF to the Indiana horse racing commission.

Effective Date: January 1, 2013 (retroactive); July 1, 2013.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been*

completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Randhir Jha, 232-9556.